



IDAHO
DEPARTMENT OF FINANCE

C.L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

May 3, 2017

Re: Request for No Action Opinion

Dear _____:

The Department of Finance, Securities Bureau, ("Department") is in receipt of your letter dated April 30, 2017 where you request a no action opinion as it relates to your sale of bitcoin to members of the Local Bitcoin Meet Up group and other individuals you are attempting to educate about bitcoins.

The Department has reviewed your request and understands that you formed a volunteer group with the intent of introducing members to bitcoin and if members express interest, you offer to sell members bitcoin from your own personal inventory. You represent that you own the bitcoin that you offer to sell and that you never purchase bitcoins with the intent of turning around and selling your inventory to members of the local BitCoin Meet Up group.

Based on the information you provided, it appears that you are acting as a virtual currency "exchanger" - or a person that exchanges virtual currency for fiat currency. An exchanger that *sells its own inventory* of virtual currency is generally not considered a virtual currency transmitter under the Idaho Money Transmitters Act. Alternatively, an exchanger that holds customer funds while arranging a satisfactory buy/ sell order with a third party, and transmits virtual currency and fiat currency between buyer and seller, will typically be considered a virtual currency transmitter.

Given your representation that you only sell your own personal inventory of bitcoin, the Department of Finance will take a no action position as to the licensing provisions of the Idaho Money Transmitters Act. Should your business activities deviate from the facts outlined above, it is possible that the Department would take a different position than the one noted in this letter. Further, the Department strongly recommends that you provide potential purchasers with full disclosure as it relates to any mark-up that you may charging to sell your own personal bitcoin inventory.

Please contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Flora".

Jeff Flora
Examiner / Investigator

SECURITIES BUREAU
Bureau Chief – James A. Burns
800 Park Boulevard, Suite 200, Boise, ID 83712
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8004 Fax: (208) 332-8099
<http://www.finance.idaho.gov>

RECEIVED

APR 28 2017

DEPARTMENT OF FINANCE
STATE OF IDAHO

April 30, 2017

Idaho State Department of Finance
Attn. Mr. Burns
800 E Park Blvd #200
Boise ID 83712

Tax Commission

APR 28 2017

Taxpayer Services

Good Day Mr. Burns,

I would like to obtain a "No Action Letter" from the state of Idaho to sell Bitcoins.

I am an avid fan of Bitcoins, and a member of the Local Bitcoin Meet Up group which promotes the use and education of Bitcoins and blockchain technology. I advertise, talk, and teach about Bitcoins as a currency and as an investment. Often I meet people who are unaware of this digital currency and its associated blockchain technology. Some of the people that I teach would like to purchase Bitcoins as an investment or just to see "how it works."

I am seeking permission to sell the Bitcoins that I own that were purchased as an investment. In selling my personal Bitcoins to individuals, I understand that there are several guidelines to which I must adhere. One: The sale of my personal Bitcoins must be immediate. There will be no holding of funds; once a Bitcoin is purchased from me, the negotiated Bitcoin currency will be immediately transferred to the Purchaser. Two: Any mark-up on price shall be conveyed to the Purchaser. This is approximately 10% of the purchase price and will cover my costs in purchase fees, bank fees, and market variations until I can replace the sold Bitcoins.

I intend to have Purchasers sign a disclosure statement which outlines that Bitcoin is not backed by any bank or government, its value is volatile, and no one should buy more than they can afford to lose.

Thank you for your time and consideration.

Sincerely,